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## REMARKS / DISCUSSION OF ISSUES

Claims 1-24 are pending. Reconsideration in view of the following remarks is respectfully requested.

In the Office Action, claims 1-24 were rejected under 35 U.S.C. 102(e) over Adolph et al. US 6,758,540 ("Adolph"). Applicants respectfully traverse this rejection because Adolph fails to teach each and every feature of the claims as required by 35 U.S.C. 102(e). Accordingly, applicants respectfully request withdrawal of this rejection.

For example, claim I includes, among other features, "a frame analysis system that determines if a current video frame having an overlaid area acts as a reference for future video frames." The Office Action alleges that this is taught in Adolph in column 3, lines 55-60. Applicants traverse this finding, as Adolph does not teach determining whether the current video frame acts as a reference for future video frames. Instead, Adolph teaches replacing OSD macroblock data in the current picture with the decoded data from the previous picture if the OSD content remains unchanged and active.

As Adolph teaches in column 3, lines 32-52, the process that determines whether to display OSD content is driven by input from a user interface (UI). Accordingly, there is no motivation or need in Adolph to determine whether a current frame acts as a reference to a future frame. The decision of whether to display the overlaid area (i.e., the OSD) in Adolph is dictated not by a reference in the current frame, but by a user inputting

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a signal made via the user interface. Whether or not the current frame acts a reference for a future frame is of no consequence in the system taught by Adolph, as the process of determining whether it makes sense to "skip" the decoding of the OSD is based on whether or not the content remains unchanged and active, as driven by the user interface. Adolph is dealing with a system in which the user may, e.g., want to display a volume bar over the current video frame(s). The decision of whether to keep the volume bar displayed (and skip decoding) is an externally driven process handled by a separate OSDP system, and has nothing to do with reference pointers in the frames themselves.

Moreover, applicants traverse the rejections of the dependent claims 2-13. Clearly none of features claimed therein are remotely taught by Adolph. For example, nowhere does Adolph teach of identifying a skippable area if the frame comprises a B picture (claim 2); examining a sequence of video frames to determine if none act as a reference (claim 3); a system for calculating a motion vector range (claim 4); etc. The portions of Adolph cited in the Office Action clearly do not teach these features. For instance the Office Action alleges claim 2 is taught by a section that explicitly refers to I-type macroblocks; that claim 3 is taught by the Brief Description of the Drawings section; and that claim 4 is taught by a section that describes the position of the OSD in the current frame.

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The remaining claims are believed allowable for the same reasons discussed above, as well as for their own additional features.

In view of the foregoing, applicants respectfully requests that the Examiner withdraw the rejections of record, allow all the pending claims, and find the application in condition for allowance. If any points remain in issue that may best be resolved through a personal or telephonic interview, the Examiner is respectfully requested to contact the undersigned at the telephone number listed below.

Respectfully submitted,

Michael F. Hoffman Reg. No. 40,019

Attorney for Applicants

Date: 11/29/04

Hoffman, Warnick & D'Alessandro LLC

Three E-Comm Square

Albany, NY 12207 Phone: (518) 449-0044

Fax: (518) 449-0047